

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 1999-239-C - ORDER NO. 1999-573

AUGUST 11, 1999

IN RE: Application of MCI WorldCom, Inc. for) ORDER /MR
Authority to Reorganize its Corporate) APPROVING
Structure and Related Transactions.) TRANSACTIONS

This matter comes before the Public Service Commission of South Carolina (the Commission) on a proposal for a corporate reorganization and asset transfer. MCI WorldCom, Inc., WorldCom Network Services, Inc., MFS Communications Co., Inc. MCI Communications Corp., and WorldCom Technologies, Inc. (the Companies or the Applicants) filed an Application with the Commission for authority to reorganize corporate structure, and for approval of related transactions. The principal result of the proposed internal restructuring will be that WorldCom Technologies, under the new name of MCI WorldCom Communications, will provide retail long-distance services to its existing customers and to customers formerly served by MCI Telecommunications, and under the new name of MCI WorldCom Network Services, will primarily provide long-distance service to other carriers formerly served by WorldCom Network Services.

Pursuant to the instructions of the Commission's Executive Director, the Companies published one time a Notice of Filing in newspapers of general circulation in the Companies' service area. The Applicants furnished affidavits of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed. Accordingly, the Applicants have filed a Motion for Expedited Review of the Application, and verified testimony to support the Application. The Companies ask that we waive the formal hearing requirement, and allow our agenda session to constitute the hearing.

We grant the Motion, and hold that our agenda session constituted the hearing in this matter. We now consider the verified testimony of Greg Darnell, Regional Senior Manager of Public Policy for MCI WorldCom, Inc. Darnell describes the corporate reorganization. Darnell states that the reorganization and asset transfer will be made in a seamless fashion that will not adversely affect the provision of telecommunications services in South Carolina. All South Carolina customers will be notified of the transactions. After the reorganization, MCI Telecommunications Corporation will provide interexchange services primarily to other carriers under its new name MCI WorldCom Network Services, Inc. WorldCom Technologies, Inc. will continue to provide interexchange and local service to end users under the name MCI WorldCom Communications, Inc. The same managerial and financial resources will be available to MCI WorldCom Network Services, Inc. and MCI WorldCom Communications, Inc. Darnell states that tariff revisions will be filed to reflect the approved organizational and name changes. Further, WorldCom Network Services, Inc. will cease to exist as a legal entity once the transactions are complete, therefore Darnell requests that its Certificate be cancelled upon completion of the transactions. In addition, retail operations and certain assets relating to sales will be transferred MCI Telecommunications Corporation to WorldCom Technologies, Inc. Officers and directors will remain the same.

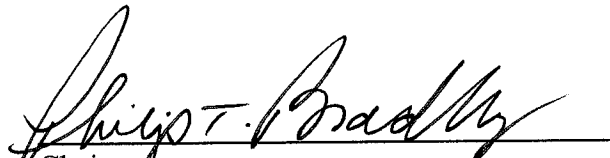
Darnell states that the proposed transactions are in the public interest, because it will enable MCI WorldCom to operate more efficiently by combining duplicative network facilities, by reducing disparate billing platforms, and consolidating the capital, personnel and management of the separate companies. Darnell states that the transactions

will ultimately allow the Companies to serve their customers better, and enhance competition.

We have examined the Application, the testimony of Darnell, and all relevant materials in the record, and conclude that the request for our approval of the various transactions should be granted as filed. We believe that the transactions will be made in a seamless fashion, will little effect on the Companies' existing South Carolina customers. We believe that the transactions will allow the Companies to operate more efficiently, and will enhance competition for telecommunications services in South Carolina. In short, we adopt Darnell's testimony as our reasoning in this case, and approve all transactions as filed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)